

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25
Record Request Response

Record Request No.: DTE-RR-59 (Common)

Provide a more detailed description of media cultivation costs in 2000 of \$25,892, as shown on DTE5-16, Attachment 1, categorized to show exactly what that was being spent on.

Response:

The following details the amount of \$25,892 of media cultivation costs in 2000 (contained on Attachment 1 of response to DTE 5-16) for both the Electric and Gas Division.

Radio Ads	338
Newspaper Ads	554
Sponsorship-City of Fitchburg Centennial Celebration	25,000
Total 2000 Media cultivation costs	\$25,892

During the discussion at the September 10, 2002 hearing of the media cultivation and ambassador program accounts, Mr. Collin characterized the activities charged to media cultivation as similar in nature to those of the ambassador programs, except directed to the media. In recent years, the activities related to media changed, such that in 2001, the ambassador program account became to be used to record the costs of maintaining contact, relationships and open communications with not only community leaders but also with the general media.

In test year 2001, the media cultivation account for both the Electric and Gas Divisions consisted only of the costs of press releases and newspaper ads. The newspaper ads were informational in nature, informing customers specifically about the availability of utility bill payment assistance. These costs are identified, along with copies of the newspaper ads, on Attachments 2 to AG 1-73 (Gas) and AG 1-73 (Electric). As such, the entire cost of the media cultivation accounts for the Electric and Gas Divisions were not removed from the test year cost of service, contrary to the statement of Mr. Collin at the hearing. The entire costs of the ambassador program for both the Electric and Gas Divisions were removed from cost of service.

Attachment DTE-RR-59 provides a reconciliation between the responses to Data Requests AG-1-73 and DTE-5-16, identifying amounts by account number of Total Utility O&M Advertising, of Advertising in Cost of Service and of Advertising Removed From Cost of Service. The Gas and Electric responses to Data Request AG-1-73 include descriptions and copies of advertising included in costs of service.

The next update to DTE-RR-6 will include correction of the error described in footnote (2) of Attachment DTE-RR-59.

Person Responsible: Mark H. Collin

Account Number	Account Description	DTE 5-16 Total Advertising Utility O&M 2001	AG 1-73 Advertising in Cost of Service 2001	Advertising Removed From Cost of Service	Reference
GAS:					
(923) Outside Services Employed:					
20-10-10-00-923-03-00	OS UNITIL SERVICE CORP	5,963	3,491 (1)	(4,957) (1,006)	Schedule MHC 7-12 (Gas) Schedule MHC 7-9 (Electric) Updated 9/4/02 (2)
20-10-02-00-923-30-00	MARKET DEVELOPMENT - GENERAL	375	375		
20-10-02-00-923-32-03	FIELD OPERATIONS/ACCOUNT MGMT	2,738	2,738		
	<i>Total Account 923</i>	9,076	6,604	(5,963)	
(930) Miscellaneous General Expenses:					
20-10-24-00-930-51-00	AMBASSADOR PROGRAM	3,633	0	(3,633)	Schedule MHC 7-13 (Gas)
20-10-24-00-930-52-00	PROMOTION	148	0	(148)	Schedule MHC 7-13 (Gas)
20-10-24-00-930-53-00	CUSTOMER COMMUNICATION	818	818		
20-10-24-00-930-54-00	MEDIA CULTIVATION	944	944		
	<i>Total Account 930</i>	5,543	1,762	(3,781)	
	TOTAL GAS	14,619	8,366	(9,744)	
ELECTRIC:					
(923) Outside Services Employed:					
20-10-10-00-923-03-00	OS UNITIL SERVICE CORP	11,820	6,921 (1)	(9,826) (1,994)	Schedule MHC 7-11 (Electric) Schedule MHC 7-13 (Gas) Updated 9/4/02 (2)
20-20-02-00-923-30-00	MARKET DEVELOPMENT - GENERAL	3,732	3,732		
	<i>Total 923</i>	15,552	10,653	(11,820)	
(930) Miscellaneous General Expenses:					
20-20-70-00-930-01-00	GENERAL ADVERTISING EXPENSES	3,691	3,691		
20-20-02-00-930-31-02	ADVERTISING - PRODUCTION BUYS	1,938		(1,938)	Schedule MHC 7-9 (Electric)
20-20-02-00-930-41-02	ADVERTISING - MEDIA BUYS	3,032		(3,032)	Schedule MHC 7-9 (Electric)
20-20-24-00-930-51-00	AMBASSADOR PROGRAM	5,668		(5,668)	Schedule MHC 7-9 (Electric)
20-20-24-00-930-52-00	PROMOTION	148		(148)	Schedule MHC 7-9 (Electric)
20-20-24-00-930-53-00	CUSTOMER COMMUNICATION	732	732		
20-20-24-00-930-54-00	MEDIA CULTIVATION	944	944		
	<i>Total 930</i>	16,153	5,367	(10,786)	
	TOTAL ELECTRIC	31,705	16,020	(22,606)	

(1) During the preparation of response to Data Request AG 1-73, the adjustments on Schedules MHC-7-12 (Gas) and MHC-7-11 (Electric) to remove from FG&E's cost of service certain allocated amounts of USC advertising were overlooked. In a subsequent revision to FG&E cost of service dated September 4, 2002, the entire amount of these USC allocated charges was removed.

(2) These updated schedules were filed in Supplemental Response of September 4, 2002 to DTE-RR-6. On those schedules, the amounts were inadvertently reversed regarding identification as Gas and Electric. In addition, they were inadvertently identified on adjustment schedules as FG&E direct amounts rather than USC allocated amounts.